



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

February 8, 2012

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Guidance

2/7/12 Treasury/IRS published a proposed rule that provides guidance on the imposition of an **annual fee on medical device manufacturers and importers** under §9009/Reconciliation §1405 of the ACA. The proposed regulations affect manufacturers, importers, and producers of taxable medical devices. This section imposes an excise tax on the sale of certain medical devices by the manufacturer, producer, or importer of the device in an amount equal to 2.3% of the sale price and applies to sales of taxable medical devices after December 31, 2012.

This document also provides a notice of public hearing on these proposed regulations to be held on May 16, 2012 at the IRS in Washington, DC.

Comments are due May 7, 2012.

Read the rule at: <http://www.irs.gov/pub/newsroom/reg-113770-10.pdf> or at:

<http://www.gpo.gov/fdsys/pkg/FR-2012-02-07/pdf/2012-2493.pdf>

2/2/12 CMS issued a proposed rule implementing the Medicaid prescription drug provisions of the ACA under §2501. This proposed rule would revise requirements pertaining to Medicaid reimbursement for covered outpatient drugs and also revise other requirements related to covered outpatient drugs, including key aspects of Medicaid coverage, payment, and the drug rebate program. The proposed adjustments to the way Medicaid pays for prescription drugs are designed to increase transparency in drug pricing and, according to CMS estimates, could save taxpayers and states about \$17.7 billion over five years. The proposed regulation reduces costs through a number of improvements, including: 1) Aligning reimbursement rates to better reflect the actual price the pharmacy pays for the drug; 2) increasing rebates paid by drug manufacturers that participate in Medicaid, and; 3) providing rebates for drugs dispensed to individuals enrolled in a Medicaid managed care organization.

Comments are due April 2, 2012.

Read the press release at: [CMS](#)

Read the proposed rule at: <http://www.gpo.gov/fdsys/pkg/FR-2012-02-02/pdf/2012-2014.pdf>

Prior guidance can be viewed at www.healthcare.gov

News

2/6/11 HHS Secretary Sebelius wrote an op-ed in USA Today about the HHS final rule that requires most health insurance plans to cover women's preventive services, including contraception, without charging a co-pay or deductible beginning in August, 2012 per ACA §2713. In her piece Secretary Sebelius explains that the rule includes a conscience clause which exempts religious organizations that primarily employ people of their own faith from the contraception requirement. This exemption includes churches and other houses of worship. Other religious organizations, such as faith-based non-profits, hospitals, charities and universities that currently do not provide contraceptive services can qualify for a one-year transition period as they prepare to begin covering contraceptives.

Read Secretary Sebelius' op-ed at:

<http://www.usatoday.com/news/opinion/editorials/story/2012-02-05/Kathleen-Sebelius-contraception-exemption/52975092/1>

Read HHS Secretary Kathleen Sebelius' statement announced on January 20, 2012 at:

<http://www.hhs.gov/news/press/2012pres/01/20120120a.html>

Read the White House blog post about the rule at:

<http://www.whitehouse.gov/blog/2012/02/01/health-reform-preventive-services-and-religious-institutions>

2/3/12 The Alliance for Health Reform and The Commonwealth Fund held a **briefing on Essential Health Benefits**. §1302 of the ACA requires that health plans offered through the Exchange and through the small/non-group market cover Essential Health Benefits, a package of medical services and treatments in at least ten broad categories of care. Topics at the briefing included the implementation of the essential health benefits package and how states can balance affordability and comprehensiveness in designing "benchmark" plans. Speakers included John Santa, Consumer Reports; Janet Trautwein, National Association for Health Underwriters; Chris Koller, Rhode Island health insurance commissioner; and Kavita Patel, Brookings Institution with the panel co-moderated by Ed Howard of the Alliance and Sara Collins of Commonwealth.

Presentations and other materials from the briefing can be found at:

http://www.allhealth.org/event_req.asp?bi=229

For more information on the Alliance, visit:

http://www.allhealth.org/aboutus_mission.asp

For more information on the Commonwealth Fund, visit:

<http://www.commonwealthfund.org/About-Us/Mission-Statement.aspx>

2/2/12 CMS announced that as a result of the ACA, 3.6 million seniors and people with disabilities with **Medicare Part D who reached the gap in coverage known as the "donut hole"** have received an automatic discount on their prescription drugs. This includes 62,831 Massachusetts seniors and people with disabilities who have received an average discount amount per beneficiary of \$587.26. Last year, the ACA provided a 7% discount on covered generic medications for people who hit the donut hole. This year members will save 14% discount on generics. Beneficiaries also receive a 50% discount on their covered brand name prescription drugs. In 2010, nearly 4 million beneficiaries who hit the donut hole received

a \$250 rebate under the ACA to help them afford prescription drugs in the coverage gap. These discounts will continue to grow over time until the donut hole is closed completely in 2020.

For more information, visit:

<http://www.hhs.gov/news/press/2012pres/02/20120202a.html>

2/1/12 HHS announced that Medicare Advantage premiums have decreased by 7% on average from 2011 to 2012 while enrollment has increased by 10% over that same time period. According to HHS, the ACA has **strengthened consumer protections and improved plan choices for people with Medicare Advantage** by motivating plans to improve their quality of coverage. When members choose a Medicare Advantage plan, a five-star CMS rating system shows them which plans in their area are doing a better job of caring for patients. And this year, as required by §1102 of the ACA, plans will receive bonus payments for high quality performance.

Medicare Advantage Plans, sometimes called "Part C" or "MA Plans," are offered by private companies approved by Medicare and provide both Part A (Hospital Insurance) and Part B (Medical Insurance) coverage. Medicare Advantage Plans may offer extra coverage, such as vision or dental; most include Medicare prescription drug coverage (Part D). Medicare pays a fixed amount for a member's care every month to the companies offering Medicare Advantage Plans and, per the ACA, plans can no longer charge higher cost sharing than what a member in traditional Medicare pays.

Read the press release at: <http://www.hhs.gov/news/press/2012pres/02/20120201a.html>

EOHHS News

MassHealth's draft **Demonstration Proposal on Integrating Medicare and Medicaid for Dual Eligible Individuals** was posted on December 7, 2011, for a 30-day public comment period, ending January 10, 2012. You can read the draft Demonstration Proposal at <http://www.mass.gov/masshealth/duals> under Demonstration Proposal. MassHealth held two public hearings on December 16, 2011 and January 4, 2012. The transcripts from each of the public hearings are now available and are posted at <http://www.mass.gov/masshealth/duals> under Demonstration Proposal. In addition to hearing oral comments provided at the public hearings, MassHealth received many written comments from stakeholders. The written comments received by MassHealth are organized into three files according to who authored them: members, community organizations, and providers/health plans and posted at <http://www.mass.gov/masshealth/duals> under Demonstration Proposal.

Upcoming Events

Integrating Medicare and Medicaid for Dual Eligible Individuals Open Meeting
External Event sponsored by the Massachusetts Medicaid Policy Institute: "Risk Adjustment for Integrated Care: Breaking New Ground for Dual Eligibles in Massachusetts"

Wednesday, February 29, 2012

9:00 - 9:30 AM Registration and Refreshments

9:30 - 12:00 Noon Program

Omni Parker House, Kennedy Room

60 School Street

Boston, MA

Space for this event is limited. Please register by February 13, 2012 at:

<http://events.constantcontact.com/register/event?llr=po9tsqcab&oeidk=a07e5i524iie7fb7536>

This forum is in follow-up to a report issued by Massachusetts Medicaid Policy Institute (MMPI), a program of the Blue Cross Blue Shield of Massachusetts Foundation. The report examines the critical need for risk adjustment in programs serving persons dually eligible for Medicare and Medicaid, and describing federal and state experience implementing risk adjustment models. The report is available at: [Risk Adjustment for Dual Eligibles: Breaking New Ground in Massachusetts.](#)

Quarterly Affordable Care Act Implementation Stakeholder Meeting

Monday, March 12, 2012 from 2PM- 3PM
1 Ashburton Place, 21st Floor
Boston, MA

Bookmark the **Massachusetts National Health Care Reform website** at: http://mass.gov/national_health_reform to read updates on ACA implementation in Massachusetts.

Remember to check <http://mass.gov/masshealth/duals> for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.